

OPENVIEW

THE DEVELOPER-FOCUSED GO-TO-MARKET PLAYBOOK

September 2022

Sam Richard & Sanjiv Kalevar



KEY CONCEPTS

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DEVELOPERS ARE A TOUGH CROWD

They have limited time, they don't like to be sold to, and they certainly don't pick up the phone. Painfully aware of this reality, technical founders have become anti-marketing and sales.

And yet companies like Stripe, Snyk, and MongoDB are killing it with developers as their core audience.



**SO, WHAT'S THE
SECRET SAUCE?**

DEVELOPERS AREN'T MYSTERIOUS

DEVELOPERS ARE HUMANS.



THIS PLAYBOOK ENCOMPASSES MULTIPLE FLAVORS OF DEVELOPER-FOCUSED GO-TO-MARKET STRATEGIES*

Open Core/Open Source



Open-core and open-source audiences demand high value in exchange for payment, but they consistently innovate and provide impressive feedback loops.

API-First



Audiences for these products can be challenging to target from a value proposition and messaging perspective. These deals typically have stakeholders outside of a developer's sphere. These businesses usually move into the applications space.

Developer Applications



Apps are a bit easier to take to market than other groups, but your relationship with and empathy for a developer will make or break your business.

*Not mutually exclusive. These models are beginning to overlap.

WE INVESTIGATED HOW TO GROW TO \$100M+ ARR WHILE SELLING EXCLUSIVELY TO DEVELOPERS

Key questions we'll answer

Why don't the expectations of technical founders match developer purchasing preferences?

Why don't traditional go-to-market (GTM) tactics work on developers?

How do developers prefer to interact with and purchase software?

Our findings are backed by multiple sources

We conducted **25+** in-depth interviews with GTM and operations executives at top-performing developer-focused SaaS businesses.

We interviewed **50+** developers on how they purchase software.

We analyzed patterns in publicly traded companies.

We leveraged OpenView's proprietary insights from working directly with developer-focused portfolio companies.

Diverse set of interviewees



SELLING TO DEVELOPERS IS DIFFERENT, NOT DIFFICULT



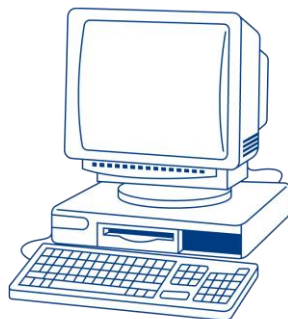
AND THERE'S NO REASON WHY YOUR COMPANY CAN'T DO IT.

THE DEVELOPER MARKET

HOW HAS THE IT BUYER CHANGED AND WHAT STRATEGIES WORK
BEST TO ATTRACT THEM?

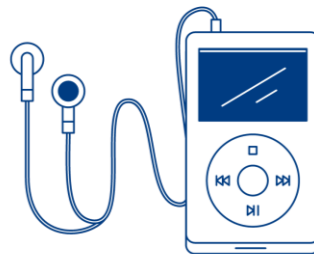
HOW WE GOT HERE

Technology has evolved and so has the way we buy software



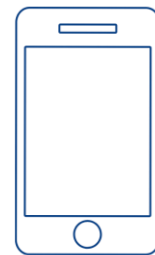
1990s

You can use the internet as long as no one is making a call or accidentally picks up the phone



2000s

Wearing white headphones becomes the ultimate symbol-even when they secretly aren't plugged into an iPod



TODAY

People and technology have never been more accessible, yet humans have never been less approachable.

THE EVOLUTION OF SOFTWARE BUYING

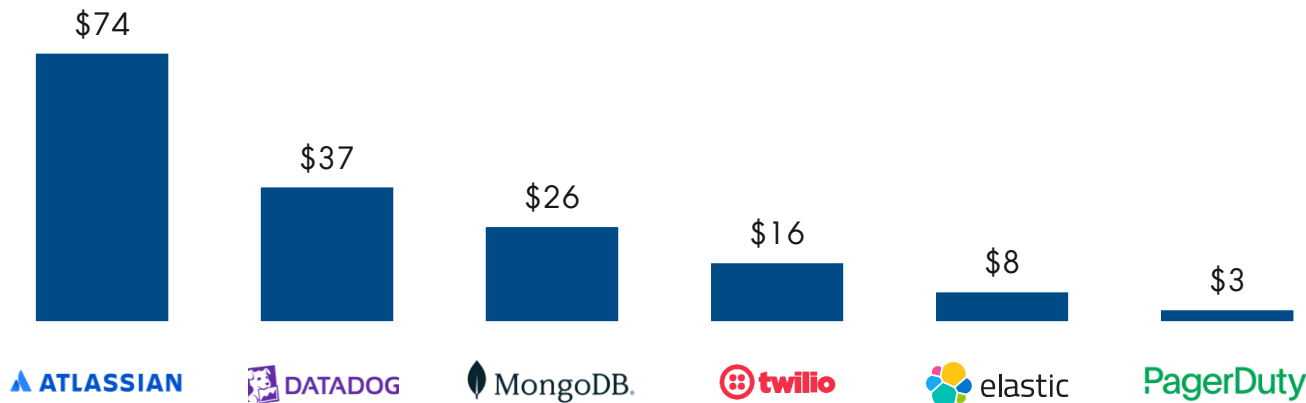
	1990s	2000s	TODAY
Infrastructure	Data Center	Cloud	Connected Cloud
Buyer	CIO	Executive	End User
Pricing	Large upfront purchase	Recurring annual purchase	Start for free, pay later as usage grows
Distribution	Sales-led growth	Marketing-led growth	Product-led growth

 **Developers today**

DEVELOPER-FIRST COMPANIES CARRY SIGNIFICANT PUBLIC MARKET VALUE

Updated / 2022 data

Market cap of select developer-focused SaaS companies (\$B)



ATLASSIAN'S SUCCESS HAS CREATED ITS OWN LORE FOR EMERGING TECHNICAL FOUNDERS

Fake news

Atlassian had sales, but they used a low-touch model when, at the time, a traditional executive decision-maker approach was the norm.

The perception that you don't need go-to-market (sales and marketing) is still pervasive among developer-focused founders, despite Atlassian's fact-checking.

Q Search

Bloomberg Businessweek

■ May 18, 2016, 8:55 AM EDT

■ Updated on May 19, 2016, 3:22 PM EDT

This \$5 Billion Software Company Has No Sales Staff

- Atlassian sold \$320 million worth of business software last year without a single sales employee. Everyone else in the industry noticed.

SUCCESSFUL DEVELOPER-FOCUSED COMPANIES DO TWO IMPORTANT THINGS



Try before you buy

Successful developer-focused companies let people try the product before they buy it.

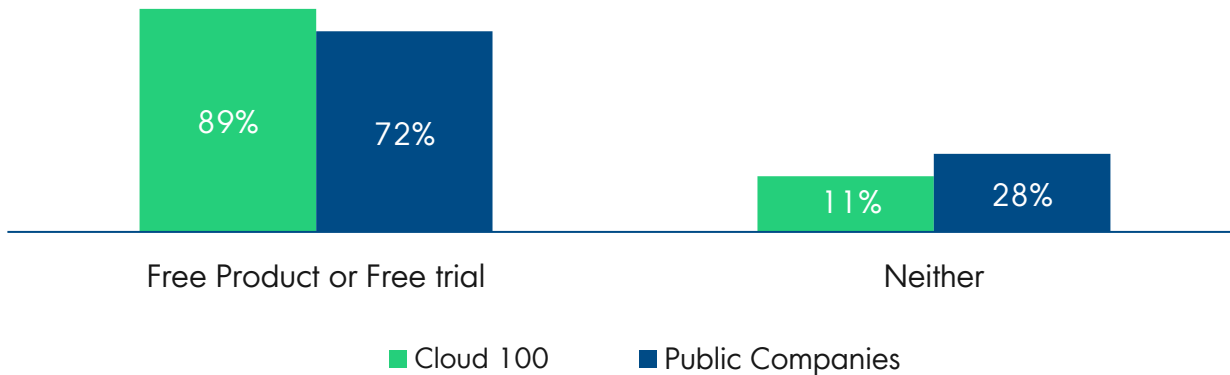


Pay for value

Successful developer-focused companies base their pricing on value (which is why developers want to try before they buy).

A FREE OFFERING IS TABLE STAKES FOR DEVELOPER-FIRST COMPANIES

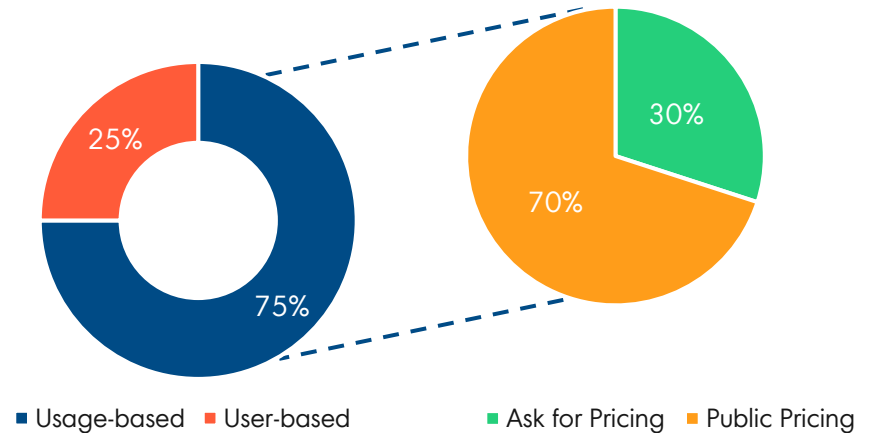
Prevalence of Free and Free Trial Offerings Among Developer-First Companies



DEVELOPER-FOCUSED COMPANIES PRICE ON USAGE

Of the companies with public pricing, **75%** had a usage-based pricing model.

Packaging of Public Developer-Focused Companies



THE PLAYBOOK

WHAT IS THE ANATOMY OF A SUCCESSFUL DEVELOPER-
FOCUSED SOFTWARE COMPANY'S CUSTOMER JOURNEY?

FORGET WHAT YOU THINK YOU KNOW ABOUT BUILDING A DEVELOPER-FIRST COMPANY



Developer Founders **Perception**



"If I build it (an amazing product or API), they (developers) will come."



"Who needs sales and marketing? I don't want those suits running my business."



"Let's have our growth hacker make us go viral on Hacker News and the community will take it from there."



Reality

Developers are human. They need to discover, activate, and scale with your product.

Just because the traditional SaaS GTM playbook doesn't work with developers, it **doesn't mean all sales and marketing won't work.**

The best developer-focused GTM often exhibits **consistent, methodical investments** that pay off in the **long run**. They don't optimize for quick wins.

DEVELOPERS DISLIKE THE STANDARD SAAS PLAYBOOK

“

If someone asks for my phone number, I never fill out the form, because I know they're going to be calling me nonstop. **I hate that.**

”

– DevOps Engineer

“

Don't make me talk to two salespeople before I can actually see the product.

”

– Front-End Engineer

“

I hate it when I'm trying out a product and someone at the company goes over my head to my boss **like I can't choose software for myself.**

”

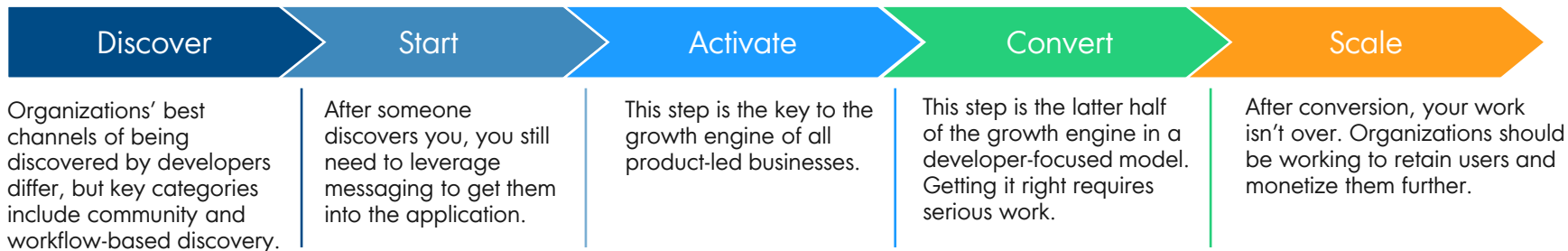
– Security Engineer

DEVELOPERS PREFER A DIFFERENT BUYER JOURNEY FROM TRADITIONAL SAAS

What traditional SaaS models teach



What developers prefer



DISCOVER 

HOW WILL DEVELOPERS FIND YOU?

FOUNDERS STRUGGLE TO ATTRACT AN AUDIENCE OF DEVELOPERS



Developer Founders **Perception**



"If I just have XYZ influencer talk about my product, we'll get a rush of signups."



"We can all pitch in and participate in the community discussion."



"Should we go to AWS Re:Invent again? Last time we paid \$50k for a booth and only got two signups."



Reality

Developers usually sign up because they're experiencing a problem in that moment.

Developers can tell if a community is legit by how much people are contributing.

Developers attend events to level up their skills, not to buy software.

SUCCESSFUL DEVELOPER-FOCUSED BUSINESSES PRIMARILY GROW THROUGH ORGANIC METHODS




Organic Discovery

Organic discovery can be difficult to measure. It encompasses anyone who discovers your application through non-paid sources.

“

We determined early on that social proof was the most effective tool we had; it was our superpower. ”

Francesca Krihely,
former Director of Growth Marketing,
 MongoDB.

“

Engineers are naturally curious people who will be far more interested in content that teaches them something rather than just trying to get them to buy. ”

Ashley Smith, former CMO,
 GitLab

“

If your organization sells to developers, you should focus your energy on building communities that allow you to deliver value, create goodwill, and build actual relationships. When it comes to engaging developers, you have to be genuine about your desire to help. It's not about how you can profit off developers. It's about how you can partner to ensure that all your ships rise together. ”

Wendy Perilli,
former VP of Growth Marketing,

 GitHub

DISCOVERY CAN VARY WIDELY DEPENDING ON YOUR PRODUCT

Open Core/Open Source

Open-source gets you a built-in audience, especially if you are the proprietary creator of the tool.

This means you have an extremely large audience but must be selective and targeted with your commercialization strategy.

API-First

API-first products have an extremely high switching cost, so it helps to be a category creator or have an innovative go-to-market approach.

For example, payments platforms existed but Stripe built APIs for payments, enabling them to capture a market.

Developer Applications

Developer applications can enable collaborative work inside an experience that you own.

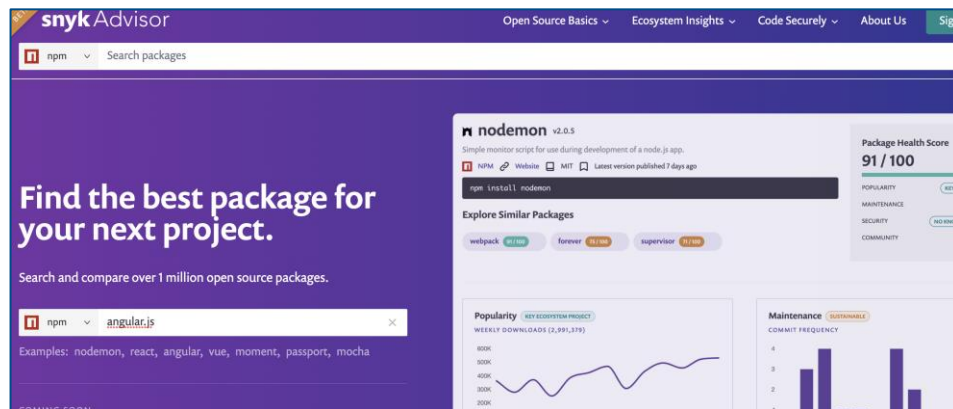
Push your product team to build collaboration abilities into your tool from day one.

CASE STUDY

Build a sidecar product that is valuable for a wide net of developers.

1 Snyk Advisor tool helps developers understand how safe and active over one million open-source projects are.

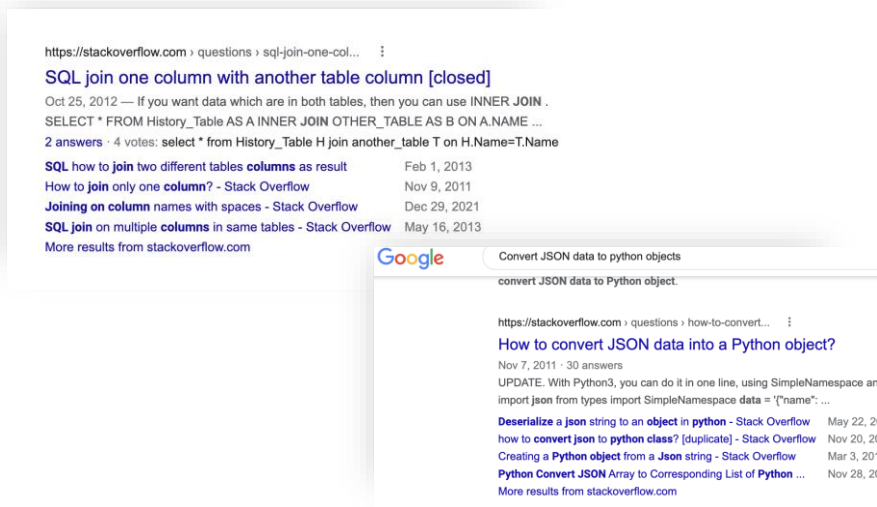
2 This tool has the perk of enabling programmatic SEO, and capturing the attention of a developer searching for the answer “Is X package popular/safe/going to be a good decision?”



CASE STUDY

Build SEO that makes it impossible NOT to find your product.

- 1 Stack Overflow has developed a community for developers to ask one another questions and contribute to finding others' solutions—all for free.
- 2 Their core product is a privatized version of this ask-and-answer workflow, made for enterprise organizations. Its high penetration and usage among developers means it has outstanding adoption and engagement within enterprises.



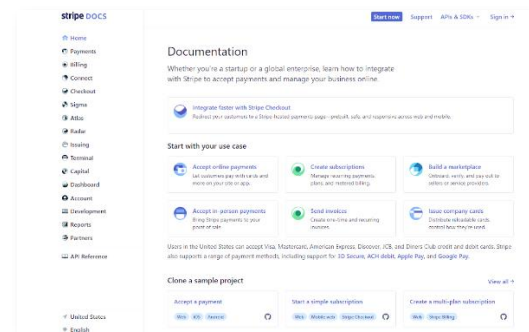
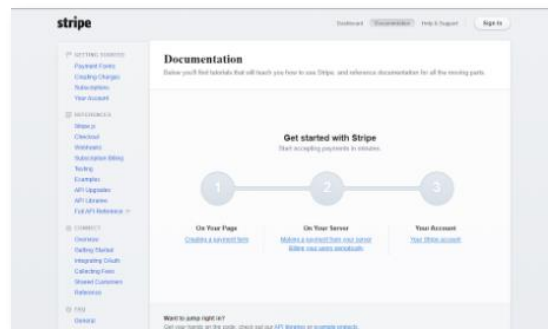
When developers search for answers while working, Stack Overflow is always in the top three organic search results.

CASE STUDY

Create exceptional technical documentation.

- 1 Documentation is one of the top discovery channels for a product. This is because developers find products by searching for answers to workflow questions.
- 2 Stripe's documentation is polished and gives clear context for why you'd need to use Stripe.
- 3 Documentation is also syndicated via videos on YouTube for additional discoverability.

[Learn more about how to create great docs here.](#)



In the screenshots of Stripe's documentation from 2013 and 2019, you can see how the company prioritizes navigability and educating new users.

DON'T SLEEP ON WORD OF MOUTH: INVEST IN A COMMUNITY STRATEGY FOR THE LONG TERM

Community is
made up of two
core **building
blocks.**

Forums

Places where developers go to ask questions or exchange experiences.
A community manager (CM) typically runs the show.

Events

Live meetings (online or off) where developers can exchange ideas.
A developer advocate (DA) usually handles management.

COMMUNITY BUILDING BLOCKS: FORUMS

Forums

CMs should leverage existing forums like StackShare, Discord, Reddit, and Quora to educate the broader community.

CMs can identify influencers on these communities and engage with them.

The company should decide whether there is enough of a need to develop a proprietary community (often on Discord or Slack).

COMMUNITY BUILDING BLOCKS: FORUMS

Events

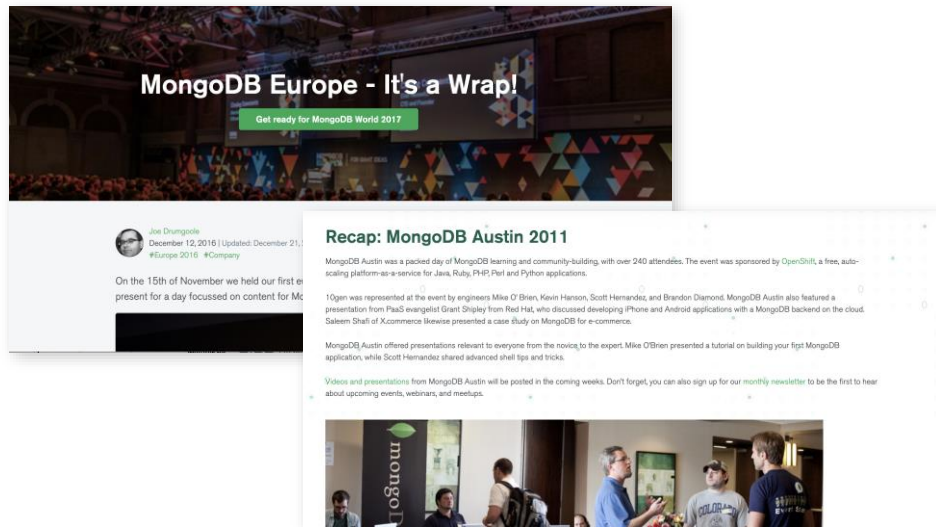
If your audience is broad enough, possibly because you're open-source, you can host proprietary events online or in-person.

You can also take advantage of the audiences of adjacent or complementary products by hosting events together.

CASE STUDY

Run proprietary events to evangelize the anti-relational database.

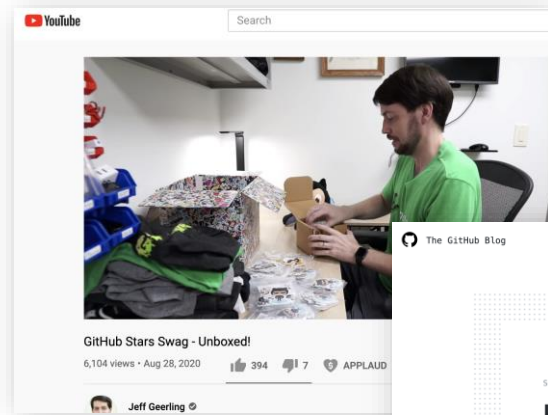
- 1 MongoDB hosted multiple events every day in the early days of the business.
- 2 These events were held globally.
- 3 Localized events with small, city-based MongoDB User Groups focused on passionate users.



CASE STUDY

Create superfans.

- 1 Sponsored any employee to speak at a conference and hosted an open bar afterward for attendees who wanted to chat.
- 2 Messaged active users directly if they were going to be in their area to meet up.
- 3 Sent swag to users who hit certain thresholds.
- 4 Hired top community participants as support.

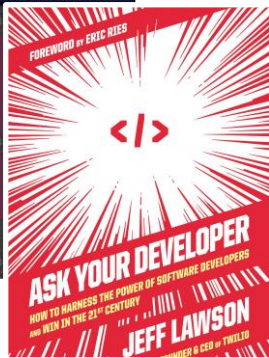




CASE STUDY

Define and brand a market trend that excites developers.

- 1 Since at least 2015, Twilio's annual event, Signal, has focused on "the developer era" and how Twilio answers the needs of that audience.
- 2 CEO Jeff Lawson published a book about why empowering developers is growing in importance.
- 3 Twilio launched TwilioQuest, a competitive game for devs to show off their Twilio skills.



HOW TO MEASURE ORGANIC GROWTH

KPIs and measurement

It's never too early to start tracking how people are finding you via:

- Asking during onboarding
- Tracking with analytics

Track your Natural Rate of Growth to ensure that your growth engine is working.

Additional metrics re: community health here.

Common Pitfalls

“Continuously iterate. We plateaued after we hit the “early adopter” wave, so we had a year of slow growth as we fine-tuned our SEO strategy. If something is working keep building on it.” – Commercial Leader

“You have to respect your community. If you try anything that's the least bit shady, they will immediately know it.” – Commercial Leader

Tools

To measure and track community:

- **Orbit.love**

To understand how people are finding your product

- **Google Analytics, HotJar**

START

HOW CAN YOU GET DEVELOPERS INTO YOUR PRODUCT?

YOU LOSE MOST DEVELOPERS IN THE GAP BETWEEN DISCOVERY AND PRODUCT SIGN-UP



Developer Founders **Perception**



"Developers don't have time to look at websites, they just get into the product."



"Messaging and product positioning is so old-school."



Reality

Developers consistently use a mental checklist to evaluate software.

If a developer doesn't feel like you're speaking to them and their needs, they won't sign up.

Quotes from OpenView interviews with developers on their software purchasing behavior.

BRAND AND MESSAGING ARE KEY TO WINNING THIS AUDIENCE: YOU NEED TO HIRE AN EXPERT

“

Most engineers are really smart. They realize when someone's trying to trick them. **Some people think of traditional marketing like a form of tricking people into doing something.** I don't think that's the case, but it's definitely the perception ”

Ashley Smith,
Fmr Marketing Leader GitLab
Twilio, Gatsby

Core Pillars of Developer Marketing

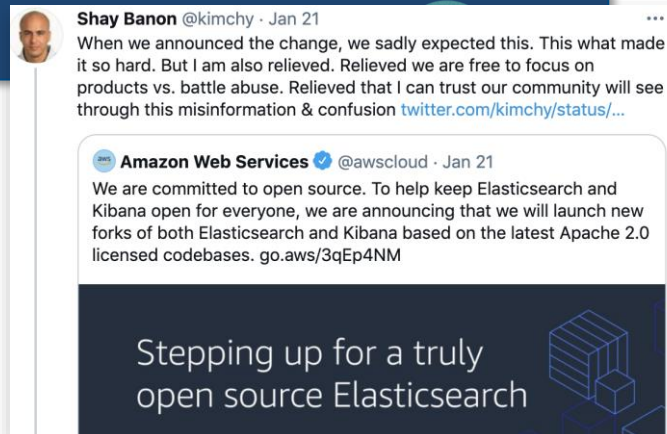
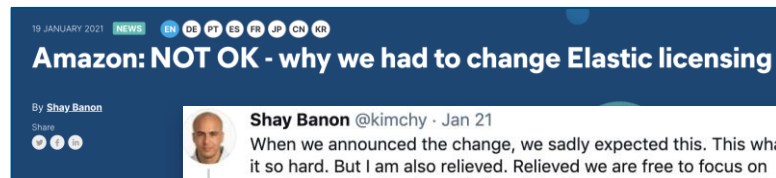
- 1 Honesty**
Keep users and community in the loop about what changes you're making and why—from both a product *and* commercialization standpoint.
- 2 Clarity**
Say what you need to—without embellishment.
- 3 Usefulness**
Make your materials genuinely helpful, not just something you're trying to get developers to buy.
- 4 Authenticity**
Get to know your audience and reflect them in your brand's voice. Publicly say “no” to initiatives and issues that combat that.

CASE STUDY

Authentically protective of community

1 In January 2021, Elastic released a license change that was vocally against Amazon's use of the Elasticsearch Service.

2 This is a great example of keeping all changes out in the open in the interest of transparency and protecting the community of open-source Elastic users.



CASE STUDY

Radical transparency into marketing practices.

1 GitLab takes authenticity to the next level by publishing their marketing handbook on their website.

2 The handbook keeps all interested parties in the loop about the marketing calendar, how the team makes decisions, the process, and how to contact the team.

3 Overall, the GitLab team has built its brand on being transparent on hiring, salaries, and more. This public marketing process is in line with that messaging.

FY22 Calendar

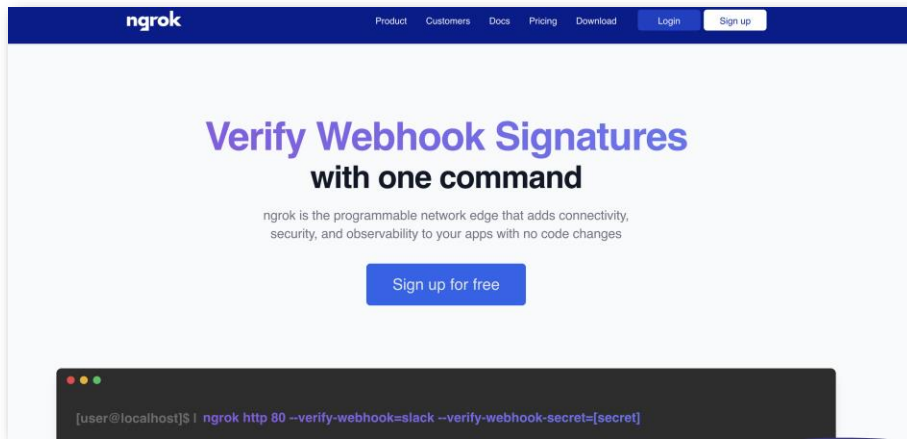
FY22 All-Marketing Calendar SSoT					
PLEASE DO NOT FILTER - use filter views (top right select up arrow to the right of the filter icon) Note: the ideal scenario is to use this as an input to a calendar-format visualization (potentially in sisense) to allow for the columns to act as SSoT for all of Marketing, and if in Sisense, can be linked for a "view of reporting" as well as "ath forward"					
Start Date	End Date	Team	Category	Name	Epic Issue
2021-01-04		Editorial	Blog	How we prevented security fixes leaking into our public repos	https://gitlab.com/gitlab-org/gitlab/-/issues/25444
2021-01-07		Campaigns	Webcast	Bi-weekly Demo Series: DevOps Platform	https://gitlab.com/gitlab-org/gitlab/-/issues/25444
2021-01-07		Editorial	Blog	How our engineering team built things at GitLab	https://gitlab.com/gitlab-org/gitlab/-/issues/25444
2021-01-08		Content Mktg	eBook	How to convince leadership to adopt CI/CD	https://gitlab.com/gitlab-org/gitlab/-/issues/25444
2021-01-11	2021-01-15	Corp / Partner	SKO	Google SKO	
2021-01-11		Content Mktg	Case Study	Case Study: New10	?
2021-01-12		Field Mktg	Workshop	GitLab Security Virtual Workshop for Public Sector	https://gitlab.com/gitlab-org/gitlab/-/issues/25444
2021-01-12	2021-01-13	Corporate	Conference	CES 2021	
2021-01-12		Editorial	Blog	Learn more about Learn@GitLab	https://gitlab.com/gitlab-org/gitlab/-/issues/25444
2021-01-13		Field Mktg	Workshop	GitLab Advanced CI/CD Workshop: Automate your workflows to build and test faster at any scale	https://gitlab.com/gitlab-org/gitlab/-/issues/25444

The GitLab marketing team manages all their processes in public GitLab repos. The calendar above is live and active.

CASE STUDY

Radical transparency into marketing practices.

- 1 The core call-to-action on ngrok's website leads users to begin running the package locally on their machine.
- 2 This "no frills" approach saves developers from spending time poking around the website. It establishes that the team knows that they can be useful to this audience.



ngrok's core value proposition is that it only requires one command to get set up. The website backs up that proposition by allowing visitors to copy that command and run it on their machine locally.

IS YOUR WEBSITE WORKING TO GET DEVELOPERS TO SIGN UP?

Visitor to Free Account Conversion Benchmarks	
Grouping	Conversion
Lowest Quartile	0%
Median	3%
Top Quartile	5%
Best-in-Class	13%

Source: 2022 OpenView SaaS Product Benchmarks Survey.

ACTIVATE 

HOW WILL YOUR PRODUCT BE VALUABLE TO DEVELOPERS?

FOUNDERS STRUGGLE TO ATTRACT AN AUDIENCE OF DEVELOPERS



Founders **Perception**



"There's only one thing to do in our product! People will figure it out."



"Developers just want the API keys and the docs."



Reality

A little help goes a long way in helping developers discover value quickly.

Developers aren't robots. Don't just hand them docs and tell them to get started.

Quotes from OpenView interviews with developers on their software purchasing behavior.

BRAND AND MESSAGING ARE KEY TO WINNING THIS AUDIENCE: YOU NEED TO HIRE AN EXPERT

“

If we build a great product, people will just know how to use it. ”

Every failed product manager ever

In OpenView-led interviews, developers ran into many hurdles unlocking value (the activation point) in products.

Activation should be:

- 1** Easy to achieve by the average user.
- 2** Completed relatively quickly.
- 3** Correlated to positive performance—improvements to activation should flow through to conversion, expansion, retention, and virality.

ACTIVATION IS TOUGHER TO IDENTIFY AND MEASURE IN SOME PRODUCTS

Open Core/Open Source

Many open-source creators opt out of tracking user activity.

This can mean your team is unable to measure activation unless users move onto a cloud-based version of your tool, which might come after monetization.

API-First

Since they don't typically have a proprietary UI, API-first products can struggle to drive ideal user journeys like other products with an application and onboarding.

This makes documentation that much more important.

Developer Applications

Developer applications don't have as many challenges as the other two categories.

They should selectively take best practices from both freemium SaaS applications and excellent B2C experiences.

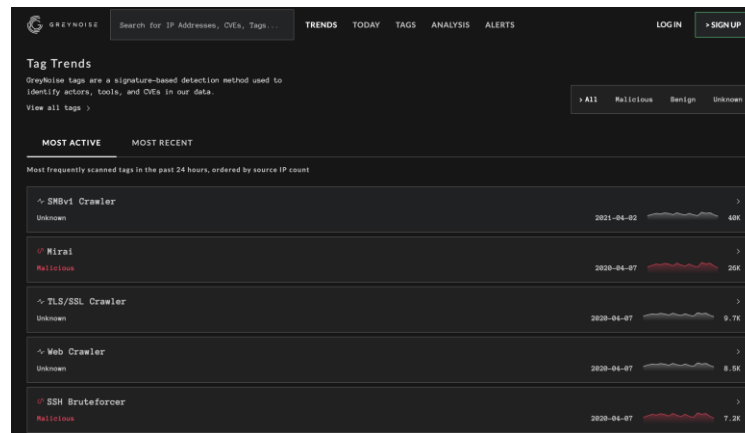


CASE STUDY

Radical transparency into marketing practices.

1 Developer-focused tools often require a heavy lift from end users to get up and running. New users typically encounter an empty, valueless product if they don't first perform that heavy lift.

2 GreyNoise gets in front of this by publicly publishing the most active tags from their product within their own visualizer. This heads off the cold-start problem and provides a unique talking point for the security-focused community.



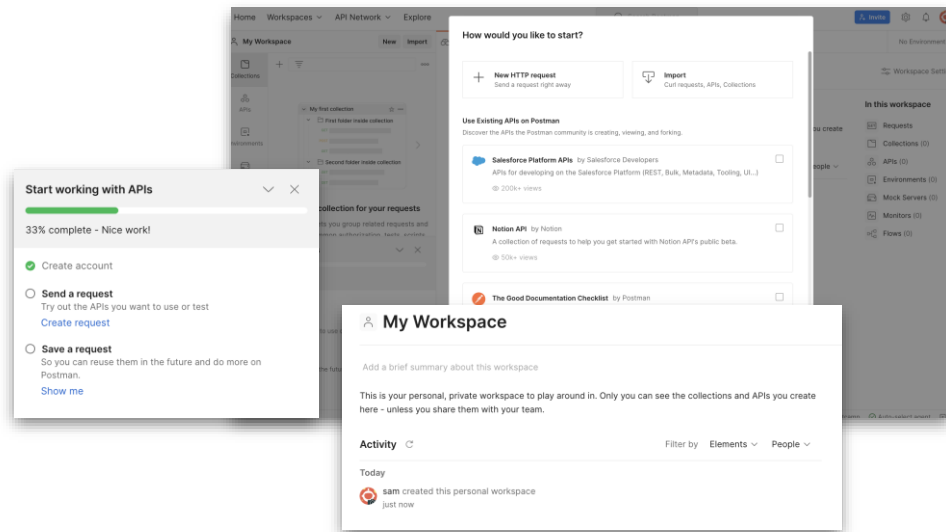
GreyNoise's visualizer enables visitors to explore trends and common threats that the team is analyzing broadly across the internet.

CASE STUDY

Radical transparency into marketing practices.

1 Developers like to explore products on their own without guided demos, walkthroughs, or video tours—but they aren't mind readers. Postman's step-by-step onboarding is intuitive, quick and easy.

2 For developers that decide to skip onboarding, the product also has a checklist with quick links to take core actions, too.



Postman's onboarding is concise and includes easy-to-understand steps for all new users. The product also offers an exit ramp for more experienced users that reads "I know how to use Postman."

CASE STUDY

Radical transparency into marketing practices.

- 1 Users get the most value from Cypress Dashboard if they integrate the product with their CI tool.
- 2 Cypress reminds users of this regularly in the documentation, and regularly links back to the docs that highlight how to integrate CI with Cypress.

Introduction

 Improve this doc

The [Cypress Dashboard](#) is a service that gives you access to recorded tests - typically when running Cypress tests from your [CI provider](#). The Dashboard provides you insight into what happened when your tests ran.

Projects



 Improve this doc

With Cypress, you have the ability to record your project's tests.

You typically want to record when running tests in [Continuous Integration](#), but you can also record your tests when running locally.

Continuous integrations, and the value users would find from the integration, is mentioned in every subset of the Cypress Dashboard documentation.

HOW DOES YOUR ACTIVATION RATE STACK UP TO BENCHMARKS?

	Multi-user Products	Teams Products	Single-user Products	Browser Extensions
Activation Rate	~20%	~20%	~40%	>50%
Details	Requires action from a secondary user to see value Secondary user is frequently in external org	Must activate multiple users in order to see value in product	Value can be reached by single user	Benefit from having a clear and simple use case with a single core action Tend to be more B2C and prosumer
Examples	Typeform You send a survey and 5 people return it	 slack 3 users in the product sending and receiving 50 messages	 cypress A user created 5+ builds in 7 days	LastPass ... You turn on a password manager



Most developer tools are here

CONVERT

HOW CAN YOU GET USERS TO PAY FOR YOUR PRODUCT?

FOUNDERS STRUGGLE TO ATTRACT AN AUDIENCE OF DEVELOPERS



Developer Founders **Perception**



"Developers don't want to talk to salespeople."



"Not all developers want to pay for software, there's so much open-source out there."



Reality

"Sometimes I want a demo or to ask really deep questions about the product. I never want to talk to sales right away."

"Once we start using something broadly at an organization, it feels weird if we're not paying something for the tool."

Quotes from OpenView interviews with developers on their software purchasing behavior.

THE NO-SALES FANTASY: UNMASKED

Top developer-focused companies have substantial headcount in sales



379



926

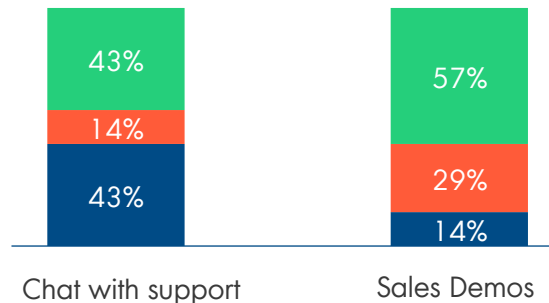


1090



922

Developer likelihood to reach out to your team during software trial



43% of interviewees would attend a sales demo

- I wouldn't use this resource
- I may use this resource under the right conditions
- I would use this resource

SALES IS A DELICATE DANCE

“

If they see any hint of sales-y-ness or that you're trying to serve them something fluffy that's not descriptive and more in a B2C tone, they turn off and won't trust you ever again. You're done. **You've burnt the bridge.**

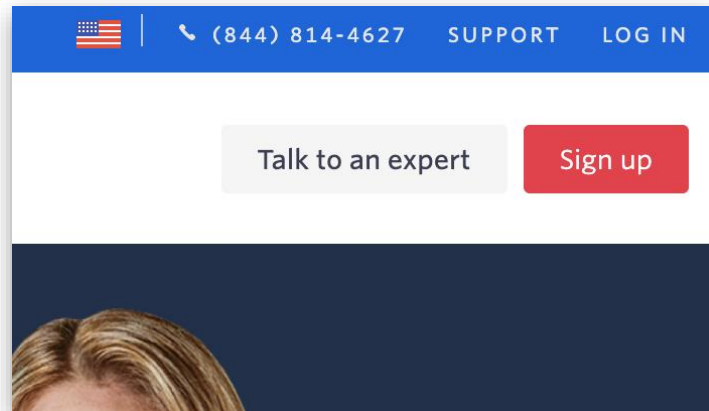
”

Alex Rosemblat, Chief Marketing Officer,  **DATADOG**

CASE STUDY

Radical transparency into marketing practices.

- 1** Before designing a process, the team asks, "How do our customers want to buy?" Spoiler: Most developers want to buy via self-service.
- 2** Most sales outreach only comes after a user has raised their hand or triggered a very high usage limit that indicates they may qualify for an Enterprise deal.
- 3** On the flip side, Twilio provides the opportunity to talk to the solutions team early on, to have conversations about building products on the platform.

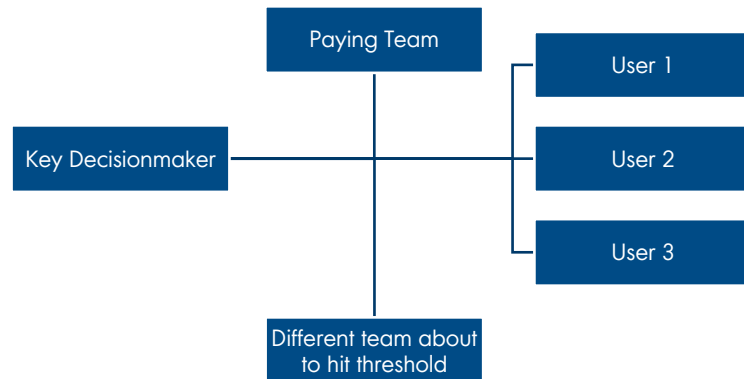


Twilio has the call-to-action to talk to an expert and a phone number to talk to a real person on every page of their website. This is increasingly rare for self-service businesses.

CASE STUDY

Radical transparency into marketing practices.

- 1** While anyone can sign up for the product and use it for free, the sales team leverages account-based contact creation, combining usage of individuals and rolling them up back to a commercial account for smarter targeting.
- 2** This information is rolled up and related back to the senior contact on the account, so they can understand the value that their business is already getting from Snyk.
- 3** This is a challenge at many self-service companies, and Snyk handles it well.



**SALES SHOULDN'T BE THE
FIRST TOUCHPOINT
WITH YOUR PRODUCT,
BUT THEY CAN PULL
CONVERSION FORWARD.**



**Be creative and leverage
your own product to entice
your users to convert.**

BRAND AND MESSAGING ARE KEY TO WINNING THIS AUDIENCE: YOU NEED TO HIRE AN EXPERT

“

How you sell is as important as what you sell—especially when it comes to working with developers.”

James Allgrove,
former Head of Revenue & Growth, **Stripe**

1

Know Your Audience

- Understand what challenges developers who get value from your product face.
- Leverage the product to get context on where users might be stuck, or to preempt questions they'll have.

2

Team Personality

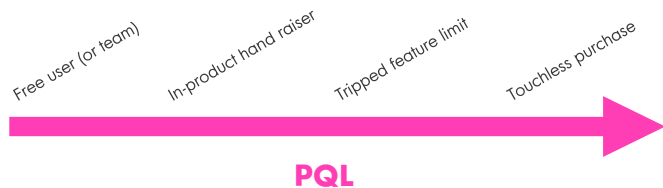
Hire technologically savvy salespeople who can build trust with technical audiences.

3

Team Operations

- Train your team on a broad range of questions for your platform, with coverage of edge use cases.
- As your team grows, add additional support functions like sales engineers to help navigate complex deals.

ABOVE ALL, THE TIMING OF OUTREACH MATTERS



Note: True PQLs require you to have some insight into what individual users are doing in the product.

Developer-focused tools leverage PQLs to provide the best experience.

What is a PQL? A PQL is a product-qualified lead, meaning that actions taken in the product by a free user help to qualify that user for outreach by the sales team.

For Sales: PQLs are valuable because they focus the sales team and help them prioritize the most valuable leads.

For the Growth Team: Identifying which behaviors and metrics generate a PQL help give the Growth team KPIs to better understand if their experiments are successful with a leading indicator (ex: percent of cohort that gets to an activation point), rather than a lagging one (ex: conversion rate).

DO DEVELOPERS THINK YOUR PRODUCT IS WORTH PAYING FOR?

Visitor to Free Account Conversion Benchmarks	
Grouping	Conversion
Lowest Quartile	2%
Median	8%
Top Quartile	11%
Best-in-Class	20%

Source: 2022 OpenView SaaS Product Benchmarks Survey.

SCALE 

HOW CAN YOU GROW YOUR RELATIONSHIP WITH
DEVELOPERS AFTER THEY'VE CONVERTED?

FOUNDERS STRUGGLE TO ATTRACT AN AUDIENCE OF DEVELOPERS



Developer Founders **Perception**



"Developers will never pay over X amount for any one tool."



Reality

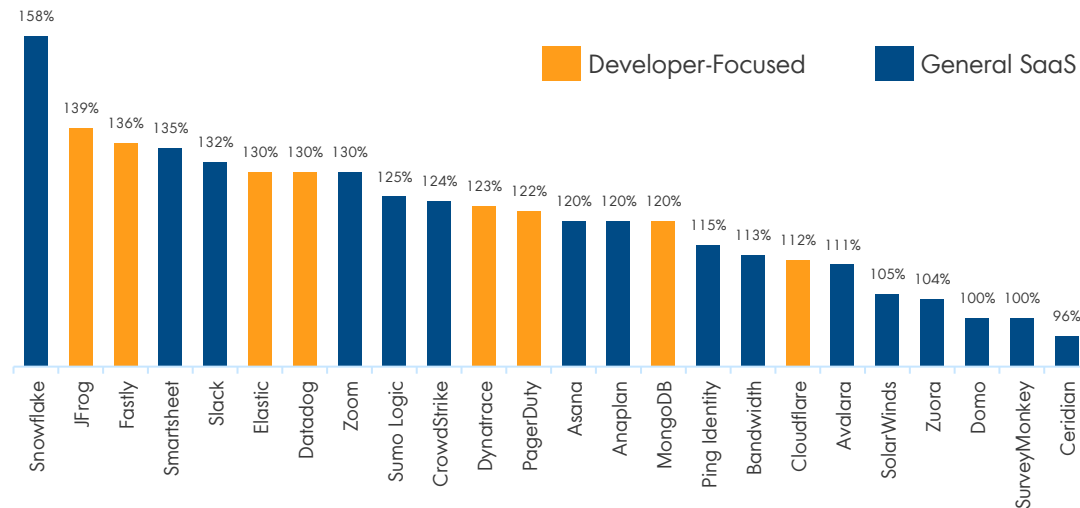
"Look, as long as we're getting value for what we're paying, we don't have qualms on spend."

Quotes from OpenView interviews with developers on their software purchasing behavior.

DEVELOPER-FOCUSED CUSTOMER SUCCESS TEAMS SHOULD PRIORITIZE EXPANSION

Many SaaS businesses focus on retention, **but developer-focused businesses have a natural NDR stickiness that makes expansion more attainable.**

Net Dollar Retention (NDR, %) among recent* SaaS IPOs

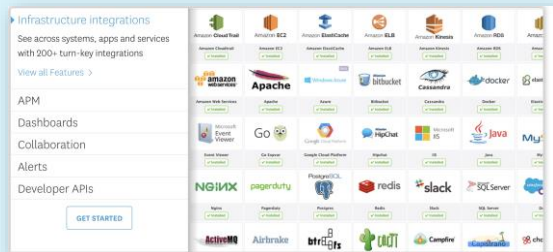


* Companies must have gone public on or after 11/1/2017. Net retention reported from a company's 10-K or S-1, whichever is most recent.

CASE STUDY

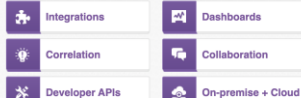
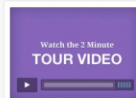
Radical transparency into marketing practices.

1 Datadog began with a singular product, but now offers a full suite of tools for DevOps engineers and their growing needs.

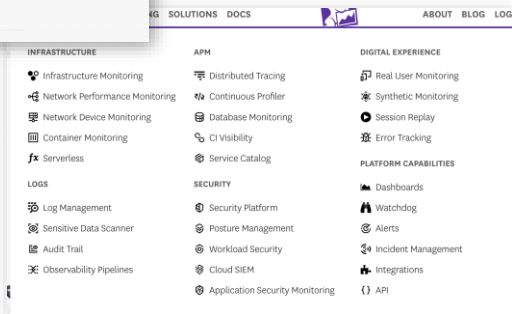


What is Datadog?

Datadog is a service for IT, Operations and Development teams who write and run applications at scale, and want to turn the massive amounts of data produced by their apps, tools and services into actionable insight.



LEARN MORE



Datadog had a ton to offer developers in 2012.

CASE STUDY

Radical transparency into marketing practices.

1 MongoDB's revenue grows when users need more clusters and networking resources. So as their customers become more sophisticated, their revenue naturally expands.

“What we're also seeing is actually small development teams sign up through self-serve, who are parts of big organizations, **but they just want to get going on Atlas, play with it, launch some applications on it, get a feel for it as a precursor to maybe a big deployment of Atlas.**”

Dev Ittycheria, CEO, MongoDB, Q3 2021 Earnings

CASE STUDY

Buy adjacent offerings.

- 1 Mergers and acquisitions are a part of Atlassian's growth strategy—identifying adjacent products, people, and teams that would best serve their existing base.
- 2 Don't underestimate how difficult it can be to bring one company into yours. There's a reason Atlassian is the market leader here.

[www.atlassian.com](#) › [blog](#) › [atlassian-acquires-halp](#) ⋮

[Announcing our acquisition of Halp - Work Life by Atlassian](#)

May 12, 2020 — But they're both among the fast-growing number of teams who rely on messaging apps like Slack to communicate and get work done. And ...

[www.atlassian.com](#) › [blog](#) › [announcements](#) › [atlassian-...](#) ⋮

[Announcing our acquisition of Mindville - Work Life by Atlassian](#)

Jul 30, 2020 — We are delighted to announce today that Atlassian has acquired Mindville, an asset and configuration management company based in Sweden ...

[www.atlassian.com](#) › [blog](#) › [announcements](#) › [atlassian-...](#) ⋮

[Announcing our acquisition of Chartio - Work Life by Atlassian](#)

6 days ago — We are thrilled to announce that Atlassian has acquired Chartio, a cloud-based visualization and analytics solution, based in San Francisco ...

While most companies will make an acquisition every few years, Atlassian will do two to three acquisitions annually.

DOES YOUR PRODUCT ENABLE EXPANSION?

Annual NDR Benchmarks			
Target Customer	Employee Count	Good (50 th Percentile)	Great (80 th Percentile)
VSMB	<20	100%	107%
SMB	20-100	100%	116%
MidMarket	101-1,000	110%	124%
Enterprise	1,001+	110%	125%

Retention is key to building an enduring software business.

Developer-focused businesses should aim to keep NDR at 110% or even higher.

Source: 2022 OpenView SaaS Metrics Survey, N=194.

WRAP UP



FORGET WHAT YOU THINK YOU KNOW ABOUT BUILDING A DEVELOPER-FIRST COMPANY



Developer Founders **Perception**



"If I build it (an amazing product or API), they (developers) will come."



"Who needs sales and marketing? I don't want those suits running my business."



"Let's have our growth hacker make us go viral on Hacker News and the community will take it from there."



Reality

Developers are human. They need to discover, activate, and scale with your product.

Just because the traditional SaaS GTM playbook doesn't work with developers, it **doesn't mean all sales and marketing won't work.**

The best developer-focused GTM often exhibits **consistent, methodical investments** that pay off in the **long run**. They don't optimize for quick wins.

CUSTOMER JOURNEY: HOW DO YOU STACK UP?



Visitor to Free Account Conversion		Activation		Free to Paid Conversion		Annual NDR	
Grouping	Conversion	Grouping	Average Activation	Grouping	Conversion	Grouping	NDR
Lowest Quartile	0%	Team Products	~20%	Lowest Quartile	2%	Lowest Quartile	90%
Median	3%			Median	8%	Median	100%
Top Quartile	5%	Individual Products	~40%	Top Quartile	11%	Top Quartile	110%
Best-in-Class	13%			Best-in-Class	20%	Best-in-Class	140%

ABOUT THE AUTHORS



SANJIV KALEVAR

Partner

Sanjiv focuses on venture and growth investments in B2B software and is particularly interested in large legacy industries that have not undergone or are undergoing digital transformation. Sanjiv joined OpenView as a Partner in November 2020. Prior to OpenView, Sanjiv was a Principal at Battery Ventures where he led investments in ServiceTitan, AuditBoard, MX, VNDLY, Vidyard, and RiskIQ.



SAM RICHARD

VP, Growth

Sam helps OpenView's portfolio companies accelerate revenue growth and become market leaders. She works closely with portfolio executives and founders to discover and implement the most impactful strategies for growth, including onboarding and retention optimization, expansion strategy, funnel optimization and channel/partner strategy. Sam joined OpenView in 2019 from Dispatch.me.



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ADDITIONAL RESOURCES

Product Benchmarks

[2022](#)

[2021](#)

[2020](#)

SaaS Benchmarks

[2021](#)

[2020](#)

Developer Buyer Journey

[Read here](#)